



# Advisory Actions 2001

Department of General Services  
Office of Public School Construction

State Allocation Board Meeting: February 28, 2001  
Issue Number 02

## Executive Corner



*We've  
Been  
Busy!*

The Office of Public  
School Construction

(OPSC) has been working hard for you. In this issue, districts will find that a number of program changes and funding options are coming their way. Don't miss reading up on:

- ◆ Joint Use Projects: Funding for Multipurpose, Gymnasium and Libraries (SB 1795)
- ◆ New Allowance for Construction Projects That Create Increased Pupil Capacity (AB 801)
- ◆ Provision for School Facility Program Construction on Leased Land (AB 2408)

Also, take advantage of important information on:

- ◆ "Use of Grants"
- ◆ Change in CBEDS Reporting
- ◆ Funds needed for Facility Hardship and Rehabilitation Projects
- ◆ The term "In Escrow"
- ◆ Your next funding application submittal
- ◆ Energy Conservation... *Cookbook For Energy Conservation Measures*.

Sincerely,

Luisa M. Park  
Interim Executive Officer  
Office of Public School Construction

## Energy Conservation



California's energy crisis has made energy conservation more important than ever. The State Allocation Board (SAB) and the Office of Public School Construction (OPSC) are continually striving to provide districts with effective, energy efficient alternatives. Most recently, the OPSC began a research project focused on determining the latest and most effective energy saving methods and products pertinent to the needs of school districts throughout the State. Through various sources, including the California Energy Commission (CEC), the OPSC has condensed its research into a convenient booklet entitled *Cookbook For Energy Conservation Measures*. This compilation of energy saving recipes is now available on the OPSC Web site. Please utilize this valuable resource early in the design phase of your modernization or new school construction projects and incorporate as many of the appropriate conservation measures as possible. The "cookbook" also includes effective steps that can be taken immediately to reduce demand and cut utility related expenses.

Other energy conservation incentives:

- ◆ The SAB provides 20 additional bonus points assigned to School Facility Program new construction priority point calculations for districts that implement certain energy conservation measures in their project.
- ◆ The California Energy Security and Reliability Act of 2000, Assembly Bill 970 provides a directive for building standards to incorporate cost effective energy efficiency measures to reduce electricity demand. The Division of the State Architect will monitor all district plans and specifications to ensure the energy standards are met.

In addition, a new Department of General Services Energy Web site is available that provides up-to-the-minute information on energy conservation as well as information alerts. See:

<http://www.energy.dgs.ca.gov/>.

Additional information pertinent to energy conservation in public schools can also be found on the California Department of Education Web site at:

<http://www.cde.ca.gov/facilities/energyefficiency>.

These sites are also accessible via links provided on the OPSC Web site:

<http://www.opsc.dgs.ca.gov>.

## Priority Points Listed on the Web

The Office of Public School Construction (OPSC) has begun posting the projected priority points assigned to the School Facility Program new construction workload list for those projects that will be considered for funding in the next

quarterly allotment. To locate this information and for complete details pertaining to the priority point calculation method, please visit the OPSC Web site at <http://www.opsc.dgs.ca.gov>.

## AB 2408: Use of SFP Grants on Leased Land

The State Allocation Board (SAB) has adopted regulations in response to Assembly Bill 2408 (Firebaugh) and has initiated the regulatory process to formalize this new law. Implementation of these regulations will provide for School Facility Program (SFP) grants to be used for the construction or modernization of facilities that are, or will be located, on leased land, not owned by the district, under the following conditions:

- ◆ The land and/or facilities are leased from another governmental agency.
- ◆ The term of the lease from a non-federal governmental agency is for at least 40 years after the SFP project is approved by the SAB. A lesser term of not less than 30 years may be approved if the SAB determines it is in the State's best interest to allow the lesser period.
- ◆ The term of the lease from a federal governmental agency is for at least 25 years after the SFP project is approved by the SAB.
- ◆ The cost of the lease is not eligible for site acquisition funding under the SFP.

Although the cost of the lease is ineligible, SFP grants may be made available for incidental site and hazardous waste removal on leased sites. Please view the proposed regulations on the Office of Public School Construction (OPSC) Web site: <http://www.opsc.dgs.ca.gov>.

## CBEDS Enrollment Reporting: Change in Reporting Timelines

Enrollment reporting for purposes of establishing eligibility in the School Facility Program (SFP) is based on the latest California Basic Educational Data System (CBEDS) information. Historically, the Office of Public School Construction (OPSC) has allowed eligibility to be determined based on this source of enrollment received as late as December 31st of each year. During this "grace period", districts were permitted to submit applications based on either the latest or the prior year CBEDS. Districts submitting applications after

### When to Apply:

Districts are advised that since this law is now in effect, a district may apply immediately for SFP grants on leased property, as long as it has a lease agreement for the site for at least 40 years with a non-Federal governmental agency, and for at least 25 years with a Federal agency. In either instance, a district may be required to submit a copy of the lease agreement to the OPSC.

When a district is planning to utilize land leased from a non-federal governmental agency for a term of at least 30 years but less than 40 years, or wishes to request funding for incidental site and hazardous waste removal on leased sites, districts are reminded that applications which involve these types of requests may only be filed after the regulatory process has been completed. This process takes approximately four months, and the districts will be advised when the regulations are effective.

To keep apprised of current information and the regulation approval process, please view the OPSC Web site: <http://www.opsc.dgs.ca.gov>. In the meantime, if you have questions that are not answered by the information posted on the Web, please contact your OPSC Project Manager, their Regional Supervisor, or Ms. Lisa Jones, Regulations Coordinator. An employee directory is available on the OPSC Web site to assist you.

December 31st were required to submit "updated" enrollment based on the latest CBEDS report.

The SFP regulations do not provide for this "grace period" and accordingly, the OPSC will no longer accept SFP application submittals based on the prior year CBEDS up to December 31st. Once a district has submitted its October 15th CBEDS information to its County Office of Education, it must utilize this enrollment data to update its eligibility prior to submittal of a SFP application.

## AB 801: Allowance for Increased Pupil Capacity

The State Allocation Board (SAB) has adopted regulations in response to Assembly Bill 801 (Firebaugh) and has initiated the regulatory process to formalize these in law. Implementation of these regulations will allow a district, as part of a School Facility Program new construction project, to demolish a single story facility and replace it with a multi-story facility on the same site. In addition to the new construction grant allowance, the SAB will provide a supplemental grant to fund 50 percent of the replacement cost of the single story facility(s) to be replaced if the following conditions are met:

- ◆ The school must be on a multi-track year-round education schedule.
- ◆ The cost of the demolition and replacement must be less than the cost of providing a new school facility, including land, on a new site for the additional number of pupils housed as a result of the replacement facility(s), as determined by the SAB.
- ◆ The district will increase the pupil capacity on the site when it builds the replacement facility(s).
- ◆ The California Department of Education has determined that this action would be the best available alternative and will not create a school with an inappropriate number of pupils in relation to the size of the site.

### When to Apply

Districts are reminded that it can only file an application based on these regulation amendments after they are finalized and become effective. Applications that include a request for this additional allowance prior to the date the regulations are effective shall be deemed incomplete and returned to the districts. To keep apprised of current information and the regulation approval process, please view the OPSC Web site at <http://www.opsc.dgs.ca.gov>. In the meantime, if you have questions that are not answered by the information posted on the Web, please contact your OPSC Project Manager, their Regional Supervisor, or Ms. Lisa Jones, Regulations Coordinator. An employee directory is available on the OPSC Web site to assist you.

## SB 1795: Gymnasium, Multipurpose and Library Funding

At its February 28, 2001 meeting, the State Allocation Board (SAB) approved a proposed policy for funding Joint Use Projects under the provisions of Senate Bill 1795 (Alpert), which became law on January 01, 2001. This policy provides funding for gymnasiums, multipurpose rooms and libraries on existing sites that meet the following criteria:

- ◆ The school does not have the type of facility for which the district is seeking joint use funding.
- ◆ The district agrees to pay 50 percent of the eligible cost of the project and 100 percent of all cost of the project that exceeds State standards.
- ◆ The plans and specifications for the joint use facility have been approved by the Division of the State Architect and the California Department of Education.
- ◆ The district has entered into an appropriate joint use agreement with the joint use partner.
- ◆ The district has demonstrated that the joint use facility will be used to the maximum

extent possible by the district and the joint use partner after regular school hours.

The SAB has directed that applications for the first Joint Use funding cycle will be accepted by the Office of Public School Construction (OPSC) through June 30, 2001. If the total dollar amount of applications received during this time period exceed the funds set aside for this purpose, the SAB developed funding priorities to allocate the available funds.

The policy also provides for the State's maximum share as follows:

- ◆ \$1 million, for elementary (K-6)
- ◆ \$1.5 million, for middle (7-8)
- ◆ \$2 million, for high schools (9-12)

The SAB will apportion funds for the first funding cycle at its regular meeting on July 25, 2001. The following documents must be submitted by June 30, 2001 or by June 30th of each year thereafter, in order to be accepted for processing to the July Board by the OPSC:

- ◆ Form 506 JU (New 02/01), Application for Joint Use Apportionment.
- ◆ Hard Copy of the Division of the State Architect (DSA) Approved Plans and Specifications of the future library, gymnasium, or multi-purpose room.
- ◆ CDE Final Plan Approval letter or Form 4.09 for the proposed Joint Use facility.
- ◆ Joint Use Agreement with the required five elements specified in Board Policy and Education Code Section 17052.

### When To Apply:

Districts may file immediately. Other important policy features and requirements, as well as the most current information regarding this program can be located on the OPSC Web site at <http://www.opsc.dgs.ca.gov>. Questions may be directed to Mr. Stevan Wood at 916.323.7109, or contact him via e-mail at [stwood@dgs.ca.gov](mailto:stwood@dgs.ca.gov).

## Use of New Construction Grants

A Use of Grants is a specific district request, under the provision of the School Facility Program Regulation Section 1859.77.2, where pupil grants are used in excess of the project capacity and/or there is utilization of new construction grant eligibility determined at a different grade level than the proposed project.

There were multiple district requests for Use of Grants submitted for approval at the February 28, 2001 State Allocation Board (SAB) meeting. However, due to concerns from various SAB members regarding the existing Use of Grants regulation, the SAB took no action regarding these requests pending a review of the regulation by the SAB Implementation Committee.

The SAB and the Office of Public School Construction (OPSC) have completed a re-examination of the Use of Grants regulation. The SAB Implementation Committee discussed these issues on March 2, 2001 and a number of recommendations will be presented by the OPSC at the March

28, 2001 SAB meeting. It is anticipated that these recommendations will be formalized in regulation, to include the following proposed changes:

- ◆ A provision for "grandfathering" Use of Grants requests under the current regulations as long as the plans and specifications for the project are submitted to the Division of the State Architect no later than April 30, 2001.
- ◆ Regardless of whether priority points are in effect, districts may request:
  - A transfer of grants from a different grade level.
  - Grants that do NOT exceed 135 percent of the proposed project's capacity.
- ◆ When priority points are NOT in effect, districts may also request grants that exceed 135 percent of the proposed project's capacity, as long as the project cost estimate represents at least 60 percent of the grant amount requested.

- ◆ Districts will be required to certify that its school board has passed a resolution which includes certain acknowledgment statements and a "Housing Plan" that the district has or will adequately house the excess pupils. The "Housing Plan" shall NOT include:
  - Excluded portables under the provisions of Education Code Section 17071.30.
  - Use of district funds for the construction of alternative housing facilities when the district is a financial hardship district.
- ◆ The SAB will not approve conceptual Use of Grants requests.

For more information regarding Use of Grants funding requests, please contact your OPSC Project Manager or their Regional Supervisor. An employee directory is available on the OPSC Web site to assist you: <http://www.opsc.dgs.ca.gov>.

## California Department of Education Class Size Reduction Program

Proposition 1A provided that up to \$700 million may be used to assist districts with costs associated with the Class Size Reduction (CSR) Program. At the July 5, 2000 meeting, the State Allocation Board (SAB) committed \$501 million to that purpose. To date, the California Depart-

ment of Education (CDE) has certified the need of \$472.9 million of the \$501 million, which has been transferred to the CDE by the SAB. A balance of \$28.1 million remains committed but not transferred to the CDE.

### LINKS by the Office of Public School Construction...

#### *Did you know...???*

The OPSC Web site, <http://www.opsc.dgs.ca.gov>, contains a number of useful links for your convenience, including:

- ◆ **DSA** (Division of the State Architect)
- ◆ **DTSC** (Department of Toxic Substance Control)
- ◆ **CDE** (California Department of Education, School Facilities Planning)
- ◆ **“Flex Your Power”** Energy Saving Tips

## Important to Know for... Your Next Application Submittal (Form SAB 50-04)

With priority points now in effect, it is even more important that a complete and accurate application be submitted. Districts are strongly encouraged to work with their project manager to ensure the accuracy and completeness of the application prior to submittal to the Office of Public School Construction (OPSC). The following documents are required for a new construction funding application to be deemed complete:

- ◆ New construction eligibility must be established prior to a request for funding.
- ◆ A completed Form SAB 50-04, Application for Funding, signed by the authorized District Representative. This also requires the Architect Certification signature and Division of the State Architect (DSA) approval date (page 5 of 6).
- ◆ California Department of Education (CDE) plan approval letter.
- ◆ CDE site approval letter, if requesting site acquisition.
- ◆ A detailed cost estimate of site development, if including a request for supplemental site development funding on the Form SAB 50-04. (Please be careful to check the appropriate line item box in addition to recording the amount of the request.)

- ◆ DSA approved plans and specifications. Either a hard copy or CD-ROM submittal is acceptable. If submitting plans and specifications on CD-ROM, an index and hard copy of the DSA approval stamp are required.
- ◆ A current appraisal of the property to be acquired, if requesting site acquisition. If acquiring through condemnation, a court order is acceptable.
- ◆ If requesting financial hardship, the district must have received OPSC financial hardship approval for the specific project prior to applying for funding.

Questions regarding funding application submittal may be directed to your OPSC Project Manager or to Ms. Selina Mulligan, Eligibility Team Supervisor, at 916.322.0290, or contact her via e-mail at [selina.mulligan@dgs.ca.gov](mailto:selina.mulligan@dgs.ca.gov).

## Funding Need for Facility Hardship and Rehabilitation Projects

The Office of Public School Construction (OPSC) presented a report to the State Allocation Board (SAB) on the projected hardship category funds needed through March 2002 for health and safety facility hardship and rehabilitation projects. There are currently \$59 million in health and safety projects that have received conceptual approval without funding. An additional estimated \$22 million will also be needed for financial hardship districts, for a total estimated need of \$81 million.

Additional health and safety projects are likely to be approved between March 2001 and March 2002. However, it is anticipated that these projects will not require funding until after March 2002, since

most of these projects have not yet been designed or approved by the appropriate State agencies.

A listing of the projects that have received conceptual approval without funding is included in the Information Section of each monthly SAB agenda. The SAB requested that the OPSC prepare a report for the March meeting regarding the availability of funds that could be used for allocation to these facility hardship requests.

Questions regarding facility hardship or rehabilitation projects may be directed to your OPSC Project Manager, or to Ms. Lori Morgan, Appeals Team Supervisor, at 916.322.0330.

## "In Escrow" Means...

Financial hardship districts do not have local funds to deposit in escrow when moving forward to acquire a site in anticipation of filing a School Facility Program (SFP) new construction application. The law only requires districts to "enter escrow" on the proposed site as a prerequisite to receiving State funds. During the development of the SFP regulations, the term "in escrow" had not been defined. It has become necessary to define this term in order to determine the appropriate funding for the site acquisition. The State Allocation Board approved an amendment to Regulation Section 1859.2 to include the definitions of "In Escrow" as follows:

- ◆ "In Escrow, Non-Governmental Entities" means the deposit of signed instrument(s) and/or funds with instructions with a title company or escrow agent to carry out the provisions of an agreement or contract to acquire a specified school parcel or site for a determinable sum, and for a determinable date of acquisition which may be based on the district's receipt of funding from the state.
- ◆ "In Escrow, Governmental Entities" means the approval and signature of instrument(s) that will convey a specified school parcel or site from the public/government entity including the federal government for a determinable sum, and for a determinable date of acquisition which may be based on the district's receipt of funding from the state.
- ◆ "Instrument" means a written, legally enforceable agreement, approved and signed by all parties to the escrow, for the conveyance to the district of real estate for a specified parcel or site, that includes a compensation clause and either a purchase option agreement, a purchase agreement, promissory note, lease agreement, installment sales contract, gift, or other real estate conveyance valid in the State of California for property conveyed from a public/government entity, including the federal government.

## Status of Funds

### Per the January 24, 2001 State Allocation Board Meeting

<i>Program</i>	<i>Funds Available as of 01.24.01</i>	<i>Apportionments and Adjustments</i>	<i>Balance Available as of 02.28.01</i>
<b>Proposition 1A</b>			
New Construction	1,199.9	(3.1)	1,196.8
Modernization	0.1	0	0.1
Hardship	165.2	(5.2)	160.0
Facility Hardship (Reserved)	24.7	0	24.7
Class Size Reduction Committed	29.2	(1.1)	28.1
<b>Subtotal</b>	<b>\$1,419.1</b>	<b>(\$9.4)</b>	<b>\$1,409.7</b>
<b>Prior Bond Funds</b>			
Contingency Reserves	37.5	1.9	39.4
AB191	3.7	0	3.7
<b>Subtotal</b>	<b>\$41.2</b>	<b>1.9</b>	<b>\$43.1</b>
<b>Grand Total</b>	<b>\$1,460.3</b>	<b>(\$7.5)</b>	<b>\$1,452.8</b>

Note: Amounts are in millions of dollars. Amounts within parentheses ( ) are negative amounts.  
The State Allocation Board funded approximately \$613,814 for the Deferred Maintenance Program.

## Construction Cost Indices

### Lease-Purchase Program

#### Construction Cost Indices for February 2001

Class "B" Buildings	1.40
Class "D" Buildings	1.40
Furniture and Equipment	1.39
Historical Savings Index	6.5

**Class "B" Buildings:** Constructed primarily of reinforced concrete, steel frames, concrete floors and roofs.

**Class "D" Buildings:** Constructed primarily of wood.

**Furniture and Equipment:** An index based on an adjustment factor obtained quarterly from the Marshall & Swift Company.

**Historical Savings Index:** An index derived quarterly from the SAB approved new construction (growth) contract bids. It is the percentage difference between the SAB/OPSC generated construction allowance and the approved contract bid.

Copies of the applicable SAB actions, proposed regulations, and additional information can be located on the OPSC Web site at <http://www.opsc.dgs.ca.gov>. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



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